

STATEMENT OF CONSIDERATIONS

REQUEST FOR WAIVER OF THE GOVERNMENT'S U.S. AND FOREIGN PATENT RIGHTS IN INVENTIONS MADE IN THE PERFORMANCE OF ANL SUBCONTRACT ANL-32582401 WITH ALCOA AND SUBCONTRACTS THEREUNDER - W(A)-94-025; CH-0845

The subject contract is directed to a program to develop a feasible method of converting salt cake residue into a usable product with economic value. Successful development and application of the technology would improve energy utilization in the aluminum industry and also result in the reduction of industrial waste through conversion of what was previously a waste into a usable product.

As is set out in the waiver petition, the proposed overall project is a possible five-phase effort with the subject contract being directed to Phase I. The Phase I contract effort is estimated to cost \$270,115 with Argonne National Laboratory (ANL)/DOE funding \$216,092 or 80% and ALCOA contributing \$54,023 or 20% of the project cost. Phases II through V, if subsequently funded, are projected to be over a three year time frame with rough cost estimate of \$10 million dollars. ALCOA proposes to continue cost-sharing in subsequent phases at least at the 20% level for the waiver to apply to subsequent phases.

This subject waiver request is a request to waive rights not only of ALCOA's inventions to ALCOA, but also rights of each of the two subcontractors' inventions to the respective subcontractors, IMCO Recycling, Inc. and NARTEC. Waiver of rights to the subcontractors will permit ALCOA and the subcontractors to pool the technology and package such to facilitate commercialization and licensing of third parties. The three parties, ALCOA, IMCO Recycling, Inc. and NARTEC, have proposed and entered into a "Teaming Agreement" under which they agree to share intellectual property produced in the performance of the subject contract and contracts directed to the follow-on phases. The parties have agreed that they will share in all expenses with respect to protection of intellectual property rights and will share equally in the benefits. The parties also are committed to license third parties in the packaged technology.

Grant of this waiver to the Phase I contract will also provide for a package of technology which may well blend into the approach taken by the Department of Energy and the contractors on the subsequent phases. If Phase I shows continuation of the work is desirable, the participants will seek funding under DOE's Metal Initiative. Of course, under such the parties would establish a holding company to package and license the technology developed. Grant of the present waiver in conjunction with the team concept agreed to by the parties would blend very nicely into the holding company arrangement which would be subsequently established if Metals Initiative funding is brought forward. If Metals Initiative funding is not available but other funding is utilized, the teaming concept and agreement establishes an entity and mechanism for essentially accomplishing the same objectives.

The requested waiver should have no adverse impact on competition or market concentration as ALCOA and its subcontractors are willing and have proposed a teaming arrangement under which any developed technologies would be licensed to responsible applicants on reasonable terms and conditions. In addition, ALCOA has agreed to U.S. competitiveness considerations to benefit the U.S. Aluminum Industry through substantial/significant deployment in the United States. Furthermore, if Metals Initiative funding is obtained for the subsequent phases, the U.S. Competitiveness issues of the Metals Initiative will also come into play..

Upon evaluation of the waiver petition, in view of all the objectives and considerations set forth in DOE PR 9-9.109-6, all of which have been considered it is recommended that the requested waiver be granted. The scope of this waiver includes contracts directed to subsequent Phases II through V, provided ALCOA and the subcontractors continue to cost share at at least 20% of the project's cost. Further, if DOE Metals Initiative Funding is obtained to support any subsequent phase, the Metals Initiative class waiver shall supersede this waiver and take precedence hereover.



Robert J. Fisher
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Intellectual Property Law Division

Date October 18, 1994

Based on the foregoing Statement of Considerations and the representations of the attached waiver petition, it is determined that the interest of the United States and the general public would best be served by grant of the waiver of patent rights of the scope described above. Therefore, the waiver is granted.

CONCURRENCE:



Kurt D. Bisson
Acting Director
Office of Waste Reduction
Industrial Technologies

APPROVAL:



Judson R. Hightower
Acting Assistant General Counsel
for Technology Transfer and
Intellectual Property

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WAIVER ACTION - ABSTRACT

W(A)-94-025 - CH-0845

<u>REQUESTOR</u>	<u>CONTRACT SCOPE OF WORK</u>	<u>RATIONALE FOR DECISION</u>	<u>DISPOSITION</u>
The Aluminum Company of America	Develop a feasible method of converting salt cake residue into a usable product with economic value.	20 Per Cent Cost Sharing	Recommended